

**Before the
Federal Communications Commission
Washington DC 20554**

In the Matter of)	
)	
Request for Review of a Decision by USAC)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism in relation to the CESA 11 consortium request)	
)	

**REQUEST TO REVIEW AND REVERSE THE DECISION OF
THE UNIVERSAL SERVICE ADMINISTRATOR**

October 16, 2007

Appellant:

Wisconsin Cooperative Educational Service Agency #11 (CESA #11), BEN: 133446

Jane Manske
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Turtle Lake, WI 54889
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RE: Appeal for denial of July 1, 2007-June 30, 2008 funding for:

FRN: 0011823416
Form 470: 109060000599028
Form 471: 552615
Category of service: Internet Service
Service provider: WiscNet, SPIN: 143004351
Total funding denied: \$130,435.06

To Whom It May Concern:

The Wisconsin Cooperative Service Educational Agency #11 is appealing the denial of funding for the above referenced funding request for 2007 (FRN 0011823416). The denial was in a funding commitment letter we received dated October 2, 2007.

- ***USAC's reason for denying the funding request:*** The Form 470 was not posted for 28 days, not posted for the requested category of service.

- ***CESA #11's rebuttal of USAC's reason for denying the request:** A clerical error was made. I inadvertently checked the wrong box and listed requested services under Telecommunications instead of Internet. The form 470 was posted for more than 28 days as required. And even though the wrong service was checked, we **received seven responses from Internet providers**. Furthermore, there was no waste, fraud or abuse involved with this error.*

This denial was not for a single school district, but for a consortium of 25 rural school districts in northwest Wisconsin requesting a total of \$130,435.06 in E-rate discounts.

Of interest, the State E-rate Coordinators Alliance (SECA) filed comments with the FCC on this very issue of Priority 1 service selection. As part of its suggestions for the 2008 Eligible Services List, SECA requests the Commission to, "direct USAC that for the purpose of PIA review, it does not matter which Form 470 category of service is chosen as long as a service is listed in one or the other Priority 1 category."¹ Their full comments further explain their rationale for this request.

Discussion:

On the above cite 470, CESA#11 applied for an E-rate discount for Internet Services on behalf of 25 rural school districts in northwest Wisconsin. The services that we requested were:

- Unbundled Dedicated Internet Access
- Email Service
- Firewalls
- Web Hosting

We are very disappointed that our request has been denied because of a minor error. This was an honest mistake on my part. I would have appreciated a call from the SLD when they received my 470 application letting me know that I had checked the wrong box and listed my Internet requests under Telecommunications.

CESA #11 agrees with the Commission's requirement for E-rate applicants to engage in a competitive bidding process for services. We did this by filing the Form 470. And even though the wrong category was mistakenly checked, (Telecommunications instead of Internet), we did receive seven replies from Internet providers (see list below) interested in our request. *Our receipt of seven inquiries we believe wholly rebuts any concern that failure to check the Internet category on Form 470 would result in few or no responses from Internet providers.* Furthermore, it is well known in the applicant community that many Form 470

¹ Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6 Comments to Proposed Eligible Services List, Public Notice Released July 27, 2007 (FCC 07-130). Comments of the State E-rate Coordinators' Alliance. Filed August 10, 2007. (http://fjallfoss.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6519610639)

postings result in *no* inquiries from providers. Thus, our seven responses are likely far more than the average number of responses, even when the correct service is selected. (It is of interest to note that CESA #11 did not receive any responses from Telecommunication Providers, even though that was the category selected on the Form 470.)

The Internet vendors that responded to our 470 were:

- WiscNet (Internet, email services ,firewalls and web hosting)
- PowerIt Schools (web hosting and email services)
- Gaggle.Net (web hosting)
- School World (web hosting)
- School Center (email and web hosting)
- ePals (email)
- Adv. Internet Management (firewall)

I have copies of our email correspondence for your review upon your request.

When speaking with Catherine Chen and Warren Fitch of the Schools and Library Division, they were concerned that the correct vendors were not notified of our Internet request. As stated above, the responses from seven Internet providers prove that the Internet vendors were aware of our needs, even though they were listed under Telecommunication Services.

Using cost as the primary factor, our schools selected WiscNet, the non-profit educationally focused Internet provider in the state of Wisconsin, because of the excellent technical support and staff development services that they provide for our small school districts. They have proved to be an excellent provider of services for the past 10 years.

I have attached a one page compiled summary of the Internet services that our CESA #11 consortium of schools has requested for E-rate discounts. The total cost of the services is \$217,391.70 for Internet access, email service, firewalls, and web hosting. We are hoping to receive a 60% discount which would amount to \$130,435.06 for our 25 school rural districts. Many of our districts are suffering from declining enrollments, which is placing considerable pressure on their budgets because state aid is tied to enrollment. Furthermore, all Wisconsin public schools are under state imposed budget restraints which are placing even more pressure on our financially stressed schools. Our schools need the E-rate discounts.

Action requested: *Considering our 470 elicited responses from seven different vendors, we do not believe the competitive bidding process was compromised by our honest mistake in selecting telecommunications instead of Internet on the 470. Thus, we respectfully request the FCC to grant our appeal and direct USAC to continue processing our application.*

Thank you for considering this very important appeal for our schools. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jane Manske
CESA #11 Distance Learning Consultant

Jesse Harness
CESA #11 Administrator